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OUR REFERENCE: 224694

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FROM: Steven P. Petersen, Esq.  
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TO: Mail Stop Appeal Brief - Patents  
United States Patent and Trademark Office  
Commissioner for Patents  
Alexandria, VA 22313

FACSIMILE NUMBER: (571) 273-8300

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IN RE APPLN. OF: Julie Anne Loeger et al.  
APPLICATION NO. 10/701,098  
FILED: November 3, 2003  
GROUP ART UNIT: 3624  
EXAMINER: Lalita M. Hamilton  
DOCKET NO.: 224694

**ATTACHED PLEASE FIND THE FOLLOWING DOCUMENTS:**

- Transmittal of Appellants' Appeal Brief (in duplicate, 4 pages total); and
  - Appellants' Appeal Brief (13 pages).
- 

A confirmation copy of the transmitted document will:

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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES**

Patent Application No. 10/701,098

Applicant: Julie Anne Loeger et al.

Filed: November 3, 2003

TC/AU: 3624

Examiner: Lalita M. Hamilton

Docket No.: 224694

Customer No.: 23460

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**TRANSMITTAL OF  
APPELLANTS' APPEAL BRIEF**

Mail Stop Appeal Brief – Patents  
Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

Dear Sir:

In accordance with 37 CFR 41.37, appellants hereby submit Appellants' Brief on Appeal.

The items checked below are appropriate:

**1. Status of Appellants**

This application is on behalf of ☒ other than a small entity or ☐ a small entity.

**2. Fee for Filing Brief on Appeal**

Pursuant to 37 CFR 41.20(2), the fee for filing the Brief on Appeal is for: ☒ other than a small entity or ☐ a small entity.

**Brief Fee Due \$500.00**

**3. Oral Hearing**

☐ Appellants request an oral hearing in accordance with 37 CFR 41.47.  
A separate paper requesting oral hearing is attached.

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Application No. 10/701,098

**MAR 30 2006**

Appeal Brief Transmittal

**4. Extension of Time**

- ☒ Appellants petition for a one-month extension of time under 37 CFR 1.136, the fee for which is \$120.00. Additionally, Appellants petition for any additional period necessary to render the present submission timely. Please charge Deposit Account No. 12-1216 for the appropriate petition fee.

Extension fee due with this request: \$120.00

**5. Total Fee Due**

The total fee due is:

Brief on Appeal Fee	\$500.00
Request for Oral Hearing	\$ 0.00
Extension Fee (if any)	\$120.00

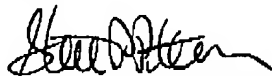
**Total Fee Due: \$620.00****6. Fee Payment**

- ☐ Attached is a check in the sum of \$
- ☒ Charge Account No. 12-1216 the sum of \$620.00. A duplicate of this transmittal is attached.

**7. Fee Deficiency.**

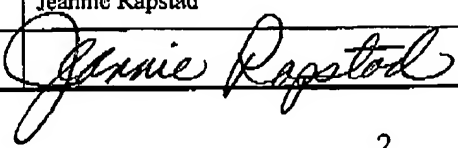
- ☒ If any additional fee is required in connection with this communication, charge Account No. 12-1216. A duplicate copy of this transmittal is attached.

Respectfully submitted,



Steven P. Petersen, Esq., Reg. No. 32,927  
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Attorneys for Appellants

Date: March 30, 2006

MAILING/TRANSMISSION CERTIFICATE UNDER 37 CFR 1.8 OR 1.10			
I hereby certify that this document and all accompanying documents are, on the date indicated below, being facsimile transmitted to the U.S. Patent and Trademark Office at fax number: (571) 273-8300.			
Name (Print/Type)	Jeannie Rapstad		
Signature		Date	March 30, 2006

**MAR 30 2006**

**PATENT**  
Attorney Docket No. 224694  
Customer No.: 23460

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES**

In re Application of:

Julie Anne Loeger et al.

Art Unit: 3624

Application No. 10/701,098

Examiner: Lalita M. Hamilton

Filed: November 3, 2003

For: **AWARD SYSTEM WITH INCREASED  
PAYOUT OPTIONS**

**APPELLANTS' APPEAL BRIEF**

Mail Stop Appeal Brief – Patents  
Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

Dear Sir:

In support of the appeal from the final rejection dated August 11, 2005, Appellants now submit their Appeal Brief. A Notice of Appeal and Pre-Appeal Brief were filed on November 22, 2005, which were received by the U.S. Patent and Trademark Office on November 28, 2005. A Notice of Panel Decision from Pre-Appeal Brief Review with direction to proceed to the Board of Patent Appeals and Interferences was mailed by the Office on January 30, 2006.

*Real Party In Interest*

The patent application that is the subject of this appeal is assigned to Discover Financial Services, Inc.

*Related Appeals and Interferences*

There are no appeals or interferences that are related to this appeal.

*Status of Claims*

The status of the claims is set forth in the Appendix attached hereto. Claims 1-29 are currently pending, stand rejected, and are the subject of this appeal.

In re Appln. of Loeger et al.  
Application No. 10/701,098

Claims 1, 11 and 21 were last amended in Appellants' Amendment dated May 19, 2005.

*Status of Amendments*

No further amendments are being submitted.

*Summary of Claimed Subject Matter*

There are 29 pending claims, of which claim 1, 11 and 21 are independent. The summaries reference the specification filed with the application on November 3, 2003. The systems and method relate to a cash rebate award system that allows for electronic transfers of awards over standard routing systems.

Independent claim 1 pertains to a system for a financial transaction system for providing awards to consumers who use a financial alternative to currency, such as a credit card, and for electronically transferring awards via a standard routing system. The recited system includes a financial institution, which is generally the issuer of a credit card issued to a consumer (*See Fig. 1, Financial Institution 110, page 9, lines 9-10*). A credit card or other financial alternative to currency, issued by the financial institution to a consumer, is also included in the system (*Page 5, line 15 to page 6, line 17*). The system also includes a participating merchant network through which consumers' credit cards or other financial alternatives to currency are used to obtain goods or services, and through which merchants are allowed to be reimbursed by the financial institution (*See Fig. 1, Network 107, Page 10, lines 1 to 4, also page 9, lines 10-13*). The financial institution charges consumers for purchases made using the credit card or other financial alternative to currency, and provides them an award related to the value of their purchases (*Page 5, lines 6 to 10, also page 6, line 21 to page 7, line 2, also page 10, line 11 to page 11, line 19*). In accordance with an inventive aspect of the present invention, the consumers' awards are electronically transferable to other accounts, such as investment or banking accounts (*Page 7, lines 12 to 15, also page 13, lines 8 to 13*). In further accordance with an inventive aspect of the invention, the consumers' awards are electronically transferable to other accounts via a standard routing system, such as the ABA or ACH routing systems (*page 8, lines 1 to 16, also page 13, line 14 to page 14 line 5*).

Independent claim 11 pertains to a method for increasing a financial institution's revenue from a consumer credit card or other financial alternative to currency. The method includes steps for receiving reimbursement requests from merchants accepting the credit card or other financial alternative to currency and reimbursing the merchants (*Page 9, lines 10-13, also page*

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10, lines 1 to 4). The method also includes a step for periodically transmitting a request to consumers for repayment of corresponding reimbursements made to the merchant (Page 24, lines 14 to 16). The method also includes steps for totaling the reimbursements over a predetermined time period corresponding to each consumer, and providing a corresponding and related award to each consumer (Page 5, lines 6 to 10, also page 6, line 21 to page 7, line 2, also page 10, line 11 to page 11, line 19). ). In accordance with an inventive aspect of the present invention, the method includes a step for allowing consumers' awards to be electronically transferred to other financial accounts, such as investment or banking accounts, via a standard routing system, such as the ABA or ACH system (Page 7, lines 12 to 15, also page 13, lines 8 to 13, also page 8, lines 1 to 16, also page 13, line 14 to page 14 line 5).

Independent claim 21 pertains to a system for electronically transferring awards. The system includes an electronically transferable award that was awarded to a consumer in proportion to the consumer's purchases with a credit card or other financial alternative to currency (*See*, Fig. 2, Award 200, page 5, lines 6 to 10, also Page 7, lines 12 to 15, also page 13, lines 8 to 13). In accordance with an inventive aspect of the invention, the system also includes an electronic award transfer interface accessible by the consumer and used to electronically transfer awards into another financial account. (Page 11, line 20 to page 12, line 4, also page 18, line 20 to page 20 line 19). In further accordance with an inventive aspect of the invention, the award is electronically transferable to another account via a standard routing system, such as the ABA or ACH routing systems (page 8, lines 1 to 16, also page 13, line 14 to page 14 line 5).

#### *Grounds of Rejection to be Reviewed on Appeal*

Claims 1-29 are rejected as obvious under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent Application Publication No. 2003/0061093 to Todd ("Todd") in view of U.S. Patent No. 6,786,400 to Bucci ("Bucci").

#### *Argument*

All pending claims recite or pertain to a system/method that supports electronic transfer of awards through a "standard routing system" that is "used by a multitude of financial institutions" for unrelated transfers. Although the Final Office action rejects all of applicants' claims as obvious by the combination of Todd and Bucci, the obviousness rejection is not proper for multiple reasons. As an initial matter, neither of the cited references suggests to make the proposed combination. The primary reference does not disclose the use of a standard routing system, while the secondary reference, which is directed to entirely different subject matter than

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the primary reference, teaches nothing more than a conventional routing system used in the normal and expected manner. There is no reason for one skilled in the art to understand the teachings of the prior art to point toward the claimed invention. Additionally, the proposed combination is counter to the purpose of the primary reference.

**The Rejection of Claims 1-29 under 35 U.S.C. §103(a)**

Each independent claim, and, by incorporation, each dependent claim, contains a similar limitation regarding a “standard routing system”. Because it is with respect to this limitation that appellants bring their present appeal, appellants present all pending claims for argument in a single group, pursuant to 37 CFR § 41.37(c)(1)(vii).

***A. Neither Cited Reference Supports a Motivation to Combine***

The primary reference, Todd, contains no teaching or disclosure regarding the mechanism by which an accumulated award is transferred from one user to another. *See e.g.*, Todd, at ¶ [0080] (describing the transfer only as a debit to the transferor account and a credit to the transferee account.) During a telephonic interview on September 2, 2005, Examiner Hamilton agreed that the Todd reference was silent as to the award transfer mechanism. According to the Examiner, this meant that its disclosure was sufficiently broad to support any number of potential mechanisms, including the mechanism described by Bucci.

A reference’s silence is not equivalent to a broad disclosure. By not specifying any particular mechanism by which awards can be transferred from one account to another, Todd cannot be said to suggest the use of *all* mechanisms by which awards can be transferred. Instead, the disclosure of Todd, at most, only teaches the use of those mechanisms by which such awards would traditionally be transferred. In view of the absence of any award transfer mechanism, one must turn to the teachings of the prior art to suggest the appropriateness of incorporating Applicants’ specifically recited transfer mechanism into the system disclosed in Todd.

Bucci, however, does not disclose or even remotely suggest that its transfer mechanism is appropriate for the type of electronic transfers recited by Applicants’ presently pending claims. There is no mention, or even a suggestion, of an award system anywhere in Bucci. The only use of the transfer mechanisms that are mentioned in Bucci, such as the ABA routing mechanisms, is their traditional use of transferring money to or from a bank account. *See Bucci* at col. 4, lines 5-30 (specifying a myriad of account types, but specifically excluding award accounts.) Absent a teaching that awards are to be treated in the same manner as more general funds for purposes of transferring them from one account to another—*a teaching provided only by applicants’*

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*disclosure*—the ABA routing system of Bucci cannot be combined with the award transfers of Todd.

*B. The Proposed Combination is Counter to the Purpose of the Primary Reference*

The primary reference is directed to an award system that facilitates transfers *only* among other award accounts maintained by the same financial services provider. *See Id.* at ¶ [0012] (“[a]nother object of the invention is to provide ... a means for one user of the services to transfer value for the direct benefit *of another one of the users*”) (emphasis added). By limiting the reward system to provide only for intra-system transfers, Todd seeks to benefit the financial institution granting the awards and maintaining the award accounts. In fact, “the primary advantage of the system or network is the capacity to accumulate value on behalf of multiple users, without setting up and administering multiple individual savings or investment accounts. Instead, the aggregate accumulated value of all accounts ... can be supported by *a single investment account* administered by the financial services provider.” *Id.* at ¶ [0086] (emphasis added). In addition to providing a benefit to the financial institution granting the awards, by limiting the transferability of the award only among other reward accounts, Todd also seeks to provide a benefit to “users who are disinclined to save.” *See e.g. Id.* at ¶ [0085]. Indeed, the first listed “object of the ... invention” of Todd is “to provide a system ... that promotes savings...” *Id.* at ¶ [0011].

Were the awards of Todd as freely transferable as cash through a universal routing system, such as the ABA routing system used by Bucci, the benefits sought to be conferred by the invention of Todd would be nullified. The financial institution would not receive the efficiency benefits promised by Todd, since it would need to maintain individual award accounts as each account would be independently accessible through its unique ABA routing information. Similarly, users who are “disinclined” to save would likewise not receive the intended benefits of the Todd invention since such users would be able to spend their award as easily as the cash in their bank account. *See Id.* at ¶ [0005] (“[s]ome individuals are unable to save, while others ... lack the willpower to do so. In either event, the penalty ... can be harsh.”)

A proposed combination that eviscerates the clearly stated purposes and goals of the primary reference rarely establishes a *prima facie* case of obviousness. *See e.g., In re Rouffet*, 149 F.3d 1350, 1356 (Fed. Cir. 1998).

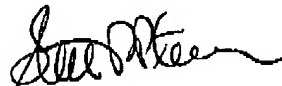


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*Conclusion*

The combination proposed by the Office action dated August 11, 2005 fails to make out a *prima facie* case of obviousness. The Office action presents only a single conclusory statement to support the combination, the primary reference's silence as to the transfer mechanism is improperly relied upon, and the proposed combination directly violates the goal of the primary reference. In the end, the applicants are the only ones who have described a mechanism by which a standard routing system, traditionally used by financial institutions to transfer funds, is used to transfer awards. For the foregoing reasons, appellants respectfully request the reversal of the rejection of the subject patent application, and further request allowance of the claims presented by Amendment A, filed on May 19, 2005.

Respectfully submitted,



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Date: March 30, 2006

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*Claims Appendix – Status of Appealed Claims*

1. (Previously Presented) A financial transaction system comprising:  
a financial institution;

a financial alternative to currency issued by the financial institution to one or more consumers; and

a participating merchant network accepting the financial alternative to currency to provide goods or services to the one or more consumers and receive reimbursement for the goods and services from the financial institution;

wherein the financial institution charges the one or more consumers for the goods or services purchased using the financial alternative to currency and provides to each of the one or more consumers an award related to a total value of the goods or services purchased by each of the one or more consumers using the financial alternative to currency; and

wherein further each of the one or more consumers' awards is electronically transferable, via a standard routing system, to one or more other financial accounts accepting electronic transfers through the standard routing system, the standard routing system being used by a multitude of financial institutions for transfers unrelated to the one or more consumers' awards.

2. (Previously Presented) The financial transaction system of claim 1, wherein the standard routing system is an American Bankers Association routing system.

3. (Previously Presented) The financial transaction system of claim 1, wherein the standard routing system is an Automated Clearing House routing system.

4. (Previously Presented) The financial transaction system of claim 1, wherein the one or more other financial accounts accepting electronic transfers through the standard routing system comprise one or more bank accounts.

5. (Previously Presented) The financial transaction system of claim 1, wherein the one or more other financial accounts accepting electronic transfers through the standard routing system comprise one or more investment accounts.

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6. (Previously Presented) The financial transaction system of claim 1, wherein at least one of the one or more other financial accounts accepting electronic transfers through the standard routing system is not in the name of the one or more consumers whose award is electronically transferable to the one or more other accounts.

7. (Previously Presented) The financial transaction system of claim 1, wherein the each of the one or more consumers' awards are automatically electronically transferable, based on an accumulated award amount, to the one or more other financial accounts accepting electronic transfers through the standard routing system.

8. (Previously Presented) The financial transaction system of claim 1, wherein the each of the one or more consumers' awards are automatically electronically transferable, based on a predefined schedule, to the one or more other financial accounts accepting electronic transfers through the standard routing system.

9. (Previously Presented) The financial transaction system of claim 1, wherein the one or more other financial accounts accepting electronic transfers through the standard routing system are saved for faster subsequent transfers.

10. (Previously Presented) The financial transaction system of claim 1, further comprising an interface, accessible by the one or more consumers, for electronically transferring their award into the one or more other financial accounts accepting electronic transfers through the standard routing system.

11. (Previously Presented) A method for increasing a financial institution's revenue from a financial alternative to currency provided to one or more consumers, the method comprising:

receiving requests for reimbursement from one or more members of a participating merchant network accepting the financial alternative to currency, the one or more members providing goods or services to the one or more consumers using the financial alternative to currency;

reimbursing the one or more members of the participating merchant network;

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transmitting periodically to each of the one or more consumers a request for repayment of the reimbursements related to each of the one or more consumers;

totaling the reimbursements over a predetermined time period corresponding to each of the one or more consumers;

providing an award to each of the one or more consumers related to the corresponding totaled reimbursement for each of the one or more consumers; and

allowing each of the one or more consumers to electronically transfer their award, via a standard routing system, to one or more other financial accounts accepting electronic transfers through the standard routing system, the standard routing system being used by a multitude of financial institutions for transfers unrelated to the one or more consumers' awards.

12. (Previously Presented) The method of claim 11, wherein the standard routing system is an American Bankers Association routing system.

13. (Previously Presented) The method of claim 11, wherein the standard routing system is an Automated Clearing House routing system.

14. (Previously Presented) The method of claim 11, wherein the one or more other financial accounts accepting electronic transfers through the standard routing system comprise one or more bank accounts.

15. (Previously Presented) The method of claim 11, wherein the one or more other financial accounts accepting electronic transfers through the standard routing system comprise one or more investment accounts.

16. (Previously Presented) The method of claim 11, wherein at least one of the one or more other financial accounts accepting electronic transfers through the standard routing system is not in the name of the one or more consumers who are allowed to electronically transfer their award to the one or more other accounts.

17. (Previously Presented) The method of claim 11, wherein the allowing each of the one or more consumers to electronically transfer their award comprises allowing each of the one

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or more consumers to automatically electronically transfer their award, based on an accumulated award amount, to the one or more other financial accounts accepting electronic transfers through the standard routing system.

18. (Previously Presented) The method of claim 11, wherein the allowing each of the one or more consumers to electronically transfer their award comprises allowing each of the one or more consumers to automatically electronically transfer their award, based on a predefined schedule, to the one or more other financial accounts accepting electronic transfers through the standard routing system.

19. (Previously Presented) The method of claim 11, wherein the one or more other financial accounts accepting electronic transfers through the standard routing system are saved for faster subsequent transfers.

20. (Previously Presented) The method of claim 11, wherein the allowing each of the one or more consumers to electronically transfer their award comprises providing an interface, accessible by the one or more consumers, for electronically transferring their award into the one or more other financial accounts accepting electronic transfers through the standard routing system.

21. (Previously Presented) An electronically transferable award system for increasing a consumer's use of a financial alternative to currency, the electronically transferable award system comprising:

an electronically transferable award, wherein the electronically transferable award was awarded to the consumer in proportion to the consumer's purchases with the financial alternative to currency; and

an electronic award transfer interface, wherein the electronic award transfer interface is accessible by the consumer and is used by the consumer to electronically transfer, via a standard routing system, their award into one or more other financial accounts accepting electronic transfers through the standard routing system, the standard routing system being used by a multitude of financial institutions for transfers unrelated to the one or more consumers' awards.

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22. (Previously Presented) The electronically transferable award system of claim 21, wherein the standard routing system is an American Bankers Association routing system.

23. (Previously Presented) The electronically transferable award system of claim 21, wherein the standard routing system is an Automated Clearing House routing system.

24. (Previously Presented) The electronically transferable award system of claim 21, wherein the one or more other financial accounts accepting electronic transfers through the standard routing system comprise one or more bank accounts.

25. (Previously Presented) The electronically transferable award system of claim 21, wherein the one or more other financial accounts accepting electronic transfers through the standard routing system comprise one or more investment accounts.

26. (Previously Presented) The electronically transferable award system of claim 21, wherein at least one of the one or more other financial accounts accepting electronic transfers through the standard routing system is not in the name of the consumer.

27. (Previously Presented) The electronically transferable award system of claim 21, wherein the electronically transferable award is automatically electronically transferable based on an accumulated award amount.

28. (Previously Presented) The electronically transferable award system of claim 21, wherein the electronically transferable award is automatically electronically transferable based on a predefined schedule.

29. (Previously Presented) The electronically transferable award system of claim 21, wherein the electronic award transfer interface further presents to the consumer saved financial accounts previously defined by the consumer.

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Application No. 10/701,098

*Evidence Appendix*

No evidence is being submitted with this appeal brief.

In re Appln. of Loeger et al.  
Application No. 10/701,098

*Related Proceedings Appendix*

There are no appeals or interferences that are related to this appeal.